

**HAMILTON COUNTY TAX LEVY REVIEW COMMITTEE
CHILDREN SERVICES LEVY SUBCOMMITTEE
138 EAST COURT STREET, ROOM 603
CINCINNATI, OHIO 45202**

May 11, 2018

Hamilton County Board of Commissioners
Hon. Todd Portune, President
Hon. Denise Driehaus, Vice President
Hon. Chris Monzel
138 E. Court Street, Room 603
Cincinnati, OH 45202

Re: Children Services Levy Mid-Term Report and Recommendations

Hamilton County Board of Commissioners ("BOCC"):

"The State of Ohio is a "home rule" state wherein the state government ceded authority for day-to-day oversight of children services to County government. Therefore, our County assumes the administration, risk, liability, and the funding of what in most states is a state government function. Ohio is one of only nine states in the country with this system. Over time, through various cuts, the State has sharply reduced its share of funding to all 88 counties. At the same time, the Ohio Dept. of Job and Family Services (ODJFS) has increased the level of oversight, rules, audits and practice expectations, both in response to family needs and to federal government initiatives and new federal laws. The result: drastically higher service needs and requirements, combined with significant cuts in State funding. Ohio children services are in crisis from more children in foster care, more complex needs, more kinship families in need, more overburdened workforce, and more expensive costs."

- Public Children Services Association of Ohio's (PCSAO) report, dated Spring 2018.

As the above paragraph illustrates, Hamilton County is not alone in this predicament. Addressing State policy is not our task, however, to understand the situation at JFS, we need to understand the overall context. A few statewide statistics:

- Nationwide, States' pay an average 43% of the cost of children services – in Ohio, the State pays 10%. This is the lowest amount, by far, of any State in the Country. In fact – if the State doubled its contribution to children services, we would still be the lowest contributor in the Country.
- As a corollary to the above, Nationwide, local governments pay an average 11% of the cost of children services – in Ohio, local governments pay 52% of the cost.
- Since 2013, statewide, there has been a 23% increase of children in foster care; the increase since July, 2016 alone is 13%. Additionally, the length of time that children stay in temporary custody has increased 19%.

I. Hamilton County and TLRC assignment background

In November of 2016, the voters of Hamilton County overwhelmingly approved renewal of the children Services Levy (the “Levy”). That election was the 6th time the Levy had passed – and had with it, the highest margin of approval by the voters that it had ever enjoyed (72% voted to approve the Levy). The Levy provided funding of approximately \$38.0M per year from 2017 through 2021. In a Report dated January 10, 2018, the Tax Levy Review Committee (the “TLRC”) discussed “Potential Threats” identified during its 2016 Levy review, outlined that those “threats” had now appeared to have become realized, and reviewed the difficult financial situation facing children Services (based on information provided by the Hamilton County Job and Family Services children Services division (“JFS”).

On January 22, 2018, the TLRC was honored to present its findings to the BOCC. In summary, those findings were:

- The voter approved, and now current Levy generates \$38M/year – down from its peak in 2007 (\$47M/year). There has never been an increase in the Levy.
- Caseload has grown dramatically – in 2017, JFS served 20,204 children, 5 years ago, that number was 14,751 – an increase of 37%. JFS has had 2,647 children in custody in to date in 2018 (as of May 10, 2018), compared to full year totals of 2,515 in 2015, 2,918 in 2016, and 3,554 in 2017.
- JFS case workers are now working an average of 33 intake cases, whereas the recommended “best practices” number is 15. Additionally, they are managing 20 ongoing cases, the recommended number is 17.
- Non-County revenue is down and it is expected to be further reduced (non-County revenue was \$47.1M in 2015, the year leading up to the Levy renewal; in 2017, it was \$40.3M). A reduction of 14.4%.
- Cases are more complex than in prior years. Today, 79% of the families in JFS care have a combination of substance abuse, domestic violence, and/or untreated mental illness - all occurring at the same time.

The general mandate from the BOCC to the TLRC was to assess: (a) how is JFS, as our County’s provider, doing in its delivery of services for children and their families; (b) are there areas within which we, as a County, can improve on our current performance; (c) what is the exact financial condition of JFS, including how and why has their financial situation declined since Levy passage in 2016 – and (d) what additional revenue is needed to provide what we deem to be “minimum mandated” services, “enhanced” mandated services, and “desired” (or “Best Practices”) services for our County.

Additionally, at our presentation to the BOCC in January, several additional questions were raised, those were:

1. How many caseworkers do we have today, and how many do we need to address current needs?

2. What type of internal training is provided to educate case workers – including cultural sensitivity?
3. How proactive is JFS relative to efforts to keep kids out of the system?
4. Of our total children in custody, how many are placed out of the County, and out of State – how does out of county cost compare to in-county placement?
5. Can we provide a more clear outline of the relationship between the Court system and JFS – is there a coordination of care and decision-making?

In order for the TLRC to provide confident recommendations, it asked the BOCC to approve engagement of consulting services. That request was approved, and the TLRC engaged the services of PCG Human Services, the same Consultant that worked on the Levy in 2016. (the “Consultant”).

This is a lengthy report, so prior to diving into the details, I would like to take this opportunity to thank Lisa Webb for her expertise and guidance; our Chair, Gwen McFarlin for her wisdom and leadership; and our outstanding Sub-Committee members – Dr. Ed Herzig, Rev. Bobby Hilton, Mark Quarry, and Jeanette Hargreaves. Assessing children Services is extremely complex, and our Sub-Committee was fully-engaged – this is a special group of volunteers. Additionally, we would like to compliment and thank the staff of JFS. As a County, we are fortunate to have Ms. Moira Weir leading this organization. Ms. Weir is nationally-recognized as a strategic and operational leader in the field; her passion and commitment are unrivaled.

In this report, we will (a) provide answers to the questions/requests noted above; and (b) provide specific recommendations, focused on 2 areas:

1. Improving the internal and external Communication of JFS (and if you would, please recall that our reference to “JFS” is specific to children Services). Better communication, transparency, and customer service; and
2. Improving the financial condition of JFS.

II. Findings

1 How is JFS performing? The summary is that JFS is performing well in light of their funding constraints. In Hamilton County in 2017, we spent \$80.9M on children Services. Comparing to our peer counties - in Franklin County, they spent \$187.5M, and in Cuyahoga, they spent \$131.412M. According to the Public children Services Association of Ohio (PCSAO) 2017 Factbook in Hamilton County, we had 2,665 children in custody in 2017, vs. 4,012 in Franklin County, and 2,779 in Cuyahoga. Please note PCSAO data includes information from 2016 and is therefore slightly varied from data referenced elsewhere - but it provides an accurate differential between the three counties. Further, an independent measure of performance comes from the Federal government’s Child and Family Services Review (“CFSR”) which is the industry’s ‘gold standard’ and measures seven key indicators, basing their assessment on whether a county Exceeds the standard, or Fails To Meet the Standard. Hamilton County JFS “Exceeds” in five of the seven categories (please note, in 2015, JFS Exceeded in three of the categories). Franklin County “Exceeds” in

six categories, and Cuyahoga County “Exceeds” in two. It should also be noted that no single jurisdiction met all seven indicators. See chart below.

In addition to the CFSR review, JFS programs are subject to oversight by multiple local, state and Federal entities, including: the Fatality Review Board, the County Child Abuse Team, Juvenile Court, CASA, Cincinnati Children’s Hospital, the Youth Advisory Board, Child Protection Oversight and Evaluation, and Multi-Ethnic Placement Act reviews. During the Consultant’s review, they interviewed 21 different Child Welfare partners (in addition to in-house JFS staff) including: a Guardian ad Litem (GAL), ProKids, St. Joseph’s Orphanage, Family Nurturing Center, Urban League, United Way, YWCA, the Juvenile Court, the JFS Planning Committee and Talbert House. Consistently throughout the interviews, the comments were extremely positive.

Federal Indicator	Comparison to National Standard		
	Hamilton	Franklin	Cuyahoga
Maltreatment in Foster Care	Exceeds	Exceeds	Fails to meet
Permanency in 12 Months	Fails to meet	Exceeds	Fails to meet
Permanency in 12 Months for Kids in Care 12-23 Months	Exceeds	Exceeds	Exceeds
Permanency in 12 Months for Kids in Care Foster Care 24+ months	Exceeds	Exceeds	Fails to meet
Placement Stability	Exceeds	Exceeds	Exceeds
Recurrence of Maltreatment	Fails to meet	Exceeds	Fails to meet
Re-Entry into Foster Care	Exceeds	Fails to meet	Fails to meet

2 Areas where JFS can improve. Communication is an overall area of focus where improvement is warranted. Internally, JFS as an overall agency has 900+ employees, with 350 employed in children Services. Children Services has initiated several new programs over the past 2 years that target improved outcomes – some of which resulted from our 2016 review. Frontline staff, the primary people who interact with clients, report that JFS leadership is not consistently communicating policy and program changes on a regular basis, or with enough depth for staff to be able to understand and properly implement newer initiatives. Ms. Weir and Senior leadership are holding monthly “roundtable discussions” that provide a venue for workers to ask questions and provide input – but there is room to improve and there are several methods of better internal communication that the Consultant has suggested. This issue is even more pressing in light of the workforce turnover, and caseload burden that JFS staff endures (as noted above).

Externally, JFS has significant room for improvement. We believe that there should be a regular means of providing “real time” data to the County Administration, County Commissioners, and all other interested parties. Similar to the daily Overdose Report provided by our Health Department, we would like to see, (and will recommend later in this Report), a weekly Dashboard that provides pertinent data in

summary format. As mentioned earlier, JFS is doing very good work, additional transparency will provide all stakeholders with the same confidence that TLRC has gained.

Further, it is our belief that JFS customer service could be improved by creating “Parental Rights” advocacy, and by clearly communicating this service via the website, and other less technical means. JFS currently has a Customer Service department staffed by 6 individuals. We are told that this staff does not operate at capacity – while we have no empirical evidence to prove the theory, we suspect that one of the reasons why this department is not over-burdened, is due to the current difficulty one has in navigating the web site to find exactly how to request help or lodge a concern. As with the staff roundtable discussions, Ms. Weir and senior staff have already begun having external meetings and presentations to the community – but this is an area where “over-communicating” is far better than “under-communicating”.

3 What is the financial condition? The financial condition is poor. The opening paragraphs of this Report (excerpted from a report by the Public Children Services Association of Ohio (“PCSAO”) illustrate the overall issue – an increased number of children in need of service, higher levels of service required, reduced funding by the State and the Federal government, lack of funding for kinship care, staff turnover costs, and desire for continuous enhancement in service – all of these lead to what the PCSOA refers to as a “crisis”. To quantify the issue, JFS began 2017 (commencement of the current Levy) with \$101M in reserve. In 2017, children Services had \$79.3M in total revenue (including the Levy), and \$87.9M of expenses. Therefore, they began 2018 with a reserve of \$92.4M. Based on the current level of service JFS is providing today, changes in revenue, and rising cost of providing services – at the end of 2018, the reserve will be down to \$65.3M. At conclusion of the current Levy (year-end 2021), the reserve will be negative \$64.6M. The point at which the reserve balance becomes \$0, should occur around 3rd Quarter of 2020. It is also important to keep in mind, that Crowe-Horwath, financial consultants to the County, have recommended that, due to the lag in funding (i.e. expenses are incurred prior to funds being available to pay for those expenses), that JFS holds a minimum reserve of \$25M. To maintain the current level of service, and end the current Levy with a \$25M reserve, we will need to increase Levy funding by \$30M per year starting in calendar year 2019 (results in a Year-end 2021 reserve of \$25.4M).

Children Services Levy Fund Projections

PCG REPORT OPTIONS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
MINIMUM MANDATED										
Beginning carryover	65,782,197	84,001,498	100,116,725	114,342,344	123,220,898	101,039,624	92,411,542	65,317,066	65,187,334	49,852,988
REVENUES (Total)	87,074,904	86,158,343	83,629,396	87,316,562	81,267,707	79,333,052	82,985,715	92,446,844	85,952,762	87,106,118
Current Sources	87,074,904	86,158,343	83,629,396	87,316,562	81,267,707	79,333,052	82,985,715	79,446,844	72,952,762	74,106,118
Levy Increase								13,000,000	13,000,000	13,000,000
EXPENDITURES (Total)	68,855,603	70,043,116	69,403,777	78,438,008	103,448,981	87,961,134	110,080,191	92,576,576	101,287,108	111,139,581
Ending Carryover	84,001,498	100,116,725	114,342,344	123,220,898	101,039,624	92,411,542	65,317,066	65,187,334	49,852,988	25,819,525
JFS CURRENT LEVEL										
Beginning carryover	65,782,197	84,001,498	100,116,725	114,342,344	123,220,898	101,039,624	92,411,542	65,317,066	65,003,457	49,540,185
REVENUES (Total)	87,074,904	86,158,343	83,629,396	87,316,562	81,267,707	79,333,052	82,985,715	109,446,844	102,952,762	104,106,118
Current Sources	87,074,904	86,158,343	83,629,396	87,316,562	81,267,707	79,333,052	82,985,715	79,446,844	72,952,762	74,106,118
Levy Increase								30,000,000	30,000,000	30,000,000
EXPENDITURES (Total)	68,855,603	70,043,116	69,403,777	78,438,008	103,448,981	87,961,134	110,080,191	109,760,453	118,416,034	128,218,925
Ending Carryover	84,001,498	100,116,725	114,342,344	123,220,898	101,039,624	92,411,542	65,317,066	65,003,457	49,540,185	25,427,378
BEST PRACTICES										
Beginning carryover	65,782,197	84,001,498	100,116,725	114,342,344	123,220,898	101,039,624	92,411,542	65,317,066	65,320,631	50,088,033
REVENUES (Total)	87,074,904	86,158,343	83,629,396	87,316,562	81,267,707	79,333,052	82,985,715	116,446,844	109,952,762	111,106,118
Current Sources	87,074,904	86,158,343	83,629,396	87,316,562	81,267,707	79,333,052	82,985,715	79,446,844	72,952,762	74,106,118
Levy Increase								37,000,000	37,000,000	37,000,000
EXPENDITURES (Total)	68,855,603	70,043,116	69,403,777	78,438,008	103,448,981	87,961,134	110,080,191	116,443,279	125,185,360	135,014,032
Ending Carryover	84,001,498	100,116,725	114,342,344	123,220,898	101,039,624	92,411,542	65,317,066	65,320,631	50,088,033	26,180,119

A detailed explanation of how the financial condition degenerated so quickly, can be found in the Consultant's report; however, some highlights include the following (note, 2015 is the operative year for comparison, because that is the year data was used for the 2016 TLRC evaluation):

- The number of children served in custody, increased 41% from 2015 to 2017 (from 2,515 to 3,554). The 2016 projection was a 2.5% annual increase.
- JFS expenditures for out-of-home placement, increased 35% from 2015 to 2017 (\$36.4M to \$49.3M). The 2016 projection was \$38.7M.
- Total revenue is down 9% (from \$87.3M in 2015 to \$79.3 in 2017).
- Total children served, increased 25.5% from 2015 to 2017.
- Kinship care is important and has been a focus for our County, but it is expensive due to the lack of Federal or State reimbursement. Last year, JFS placed 31% of their cases in kinship care, vs. 20% for Franklin County and 24% in Cuyahoga County.
- Starting September 30, 2019, funding under "Title IV-E Waivers" will transition to traditional IV-E funding. In general, IV-E Waivers provide children Services flexible reimbursement to the County for low income children in placement. This change will cost Hamilton County \$10M of annual revenue.
- In January 2017, the State switched from traditional Medicaid fee-for-services funding, to Managed Care funding. This change removed funding for certain services, and will cost JFS an estimated \$7M in annual funding.
- This past February, the US Gov't Spending Bill enacted the "Family First Act". The Act provides additional funding for certain services, but caps out-of-home placement costs (out-of-home care is, by far, the largest JFS expense). There has been no guidance about the anticipated net effect

of this Act – the Consultant report assumes that the increases in funding will fully offset the un-covered costs.

4 What is the additional cost of providing “Minimum Mandated services”, “Enhanced Mandated services”, and “Desired/Best Practices” services? In 2016, with conclusion of the Federal Audit, the Commissioners approved the additional annual expenditure of \$22.5M. That additional funding enhanced the level of service at JFS from “Minimum” services, to what we have referred to as “Enhanced” services. Therefore, the cost identified as providing an Enhanced level of service, only maintains what JFS is providing today. The chart below identifies the services that would need to be eliminated if we reduce the service level to “Minimum Mandated”; and conversely, the chart identifies the services that would be increased or added if we increase the service level to “Desired” (or what the consultant refers to as “Best Practices”). The Appendix in the Consultant Report, entitled “Children Services Levy Fund Projections” is Hamilton County Staff estimates of the additional annual revenue required to maintain the current Enhanced level of service (\$30M per year), increase to Best Practices level of service (\$37M per year), or reduce the service level to the Minimum level of service (\$13M per year). As you will see from the projections – even if we reduce the level of service back to pre-2016 levels, we still need to increase revenue by \$13M per year, and the list of services that JFS would need to eliminate is daunting- including services that would have an even greater net cost to the County downstream of JFS intervention.

Variable Discretionary Expenditure Assumptions			
Expenditure Type	Minimum Service Level	Current Service Level	Best Practice Service Level
ESSA Vouchers	Eliminated	Maintained	Maintained
Kinship Child Care	Eliminated	Maintained	Maintained
Mental Health	Eliminated	Maintained	Maintained
Adoption Contracts/Services	Eliminated	Maintained	Maintained
Miscellaneous	Eliminated	Maintained	Maintained
Advertising	Eliminated	Maintained	Maintained
Kids in School Rule	Eliminated	Maintained	Maintained
Wrap Around and Medical Services	Eliminated	Maintained	Increased*
Consulting/Safety Assessments	Eliminated	Maintained	Maintained
Children with Mental Handicaps	Eliminated	Maintained	Maintained
Behavioral Services	Eliminated	Maintained	Maintained
Kinship Stipend Payments	---	---	Added
Workforce Development-Trauma Training and Stress Management	Eliminated	Maintained	Maintained
TOP	Eliminated	Maintained	Maintained
Trauma Services	Eliminated	Maintained	Increased*
Intensive In-Home Services	Eliminated	Maintained	Increased*
Family Preservation	Eliminated	Maintained	Increased*

Relative to the additional questions asked during our January 22, 2018 BOCC meeting;

1. How many caseworkers do we have currently, and how many do we need? At the end of 2017 JFS had budgeted for 428 workers; and had 88 vacancies. The obvious issue with a shortage of Case workers is that the current staff faces a much higher caseload than is recommended by best practices, and therefore suffers from significant stress and turnover. However, the “silent issue” of staff shortage – is that studies have shown that when a child stays with one specific case worker during the process of placement, they have a 74.5% chance of permanent placement. When a caseworker leaves and a child has to work with a new caseworker, the permanent placement percentage drops drastically to 17.5%. Fiscally, PCSAO projects the replacement costs for a single worker are \$54k, challenging the agency with increased recruitment, overtime, and training costs for every worker who leaves their job.

2. What training is provided to educate caseworkers – including cultural sensitivity? Currently, new workers receive 102 hours of core training through Southwest Ohio Regional Training Center and then about eight weeks of full time in-house training. They must also complete domestic violence and human trafficking training. Thereafter, workers are required to take 36 hours of training every year.

Multiple training modules contain information on implicit bias and cultural awareness, during core training and throughout a worker’s career. JFS is currently exploring additional training modules through SWORTC specific to cultural sensitivity and humility.

3. How proactive is JFS in keeping kids out of the system? JFS’ overall philosophy is that children do best with families, therefore, the agency prioritizes children staying with their families. Staff uses a safety model to assess safety threats. The safety model reduces personal biases and judgments and focuses on only whether a parent is protective and whether a child can safely remain in the home. The agency has a multi-pronged approach to keeping children in the home by providing services - intensive in-home services, home visitation, community-based services, family conferences and more.

The vast majority of families involved with JFS do not have children removed from their custody. In 2017, approximately 17,000 children were served without the agency receiving custody.

JFS is currently working with community partners and potential providers to increase the availability of intensive, culturally-sensitive in-home support services that increase the parent’s protective capacities, support behavioral change and reduce safety threats.

4. Of total children in custody, how many are placed out-of-County, or out-of-State and how does in-county cost compare to out? Currently, 1,427 children are placed with Hamilton County. 797 are out of county, most in Butler, Warren and Clermont counties. 53 are out of state. These numbers represent both paid and kinship placements. Placements are based on the best interests of the child. Some children may have complex needs that can only be addressed by out-of-county facilities. Or some children are placed with kin who might live outside the county. Or, sibling sets might be placed out of county to keep them together if there is not an in-county home available. Each case is examined for what placement would best serve that specific child.

Provider rates are negotiated based on the child's needs and level of care, not location.

5. Please outline the relationship between the Court system and JFS – is there coordination of care and decision-making? The courts make the final decision on child placement and permanency. JFS provides recommendations based on a family safety assessment, but the agency is just one voice along with the guardian ad litem, court appointed special advocate, prosecutor, public defender, other professionals involved with family and the family itself. The court hears from all parties and makes a final ruling on child placement.

The court holds all parties accountable to the case plan that documents the expectation for behavioral change, as well as demonstrated parental protective capacities that ensure child safety. All parties have input into this case plan.

Some other miscellaneous findings:

- Opiates have a longer relapse cycle – in other words, a person addicted to opioids has a greater tendency to relapse – therefore, children of parents affected by opioids will be in the JFS system longer.
- One of the CFSR measures (the Federal government indicator) that JFS “Fails to Meet”, is achieving permanent placement of a child within 12 months of coming into JFS care. One of the main impediments to meeting this measurement is moving a case through the Judicial system. Approximately 18 months ago, JFS began having monthly meetings with the Judicial staff and providers to review processes, caseload, and ways to provide better efficiency.

III. Recommendations:

The TLRC began its review of JFS in late 2017. We have been impressed by their collective passion and dedication to the children, their genuine desire to put children in a permanent and safe environment, and their overriding goal of reunification of children with families. As discussed earlier in this Report, JFS funding compared to our peer counties is woefully low, and the ratio of number of children served to revenue is extremely high. The JFS staff is over-burdened by higher caseloads than best practices recommends; and primary means of improving outcomes through kinship care, in-home services, parenting services and other new programs, is hampered by lack of funding. In an effort to enhance the JFS level of service to that which families in Hamilton County should expect, allow JFS to take measures necessary to improve the outcome for children and their families, and to secure the financial condition of JFS – the TLRC recommends the following:

1. For placement on the November 2018 ballot, a new 3 year Levy, to generate \$37M of additional funding per year, allowing JFS to enhance its service level to the recommended Best Practices.
2. Implementation of a “Family Rights Advocacy” program, to assist at-risk families with education and counselling, and to provide a sounding board and guidance for families in the JFS system.

3. Development of a weekly JFS “Dashboard” report that provides real time data and demographics of children in the JFS system, caseload, duration of stay, and other pertinent quantifiable measures. The Dashboard would be available for public review, and could be delivered electronically to any interested parties.

4. There are several other recommendations from the Consultant that the TLRC fully endorses; those include: (a) Continued Implementation of new programs and Services, (b) further Development of Internal communications, (c) continued Workforce hiring and retention initiatives, (d) Support and expansion of Kinship Placements, and (e) in addition to Family Rights Advocacy, modification of the JFS Customer Service website, to give clear identification of parental rights, and a phone number to call for assistance or guidance.

5. In the event the BOCC elects to move ahead with a Levy, the TLRC would highly recommend that our next review cycle (2021) include performance measures and outcomes for the items recommended.

IV. Summary

As stated in the opening paragraphs of this Report, “Ohio children services are in crisis”. With higher service needs, more children in care, more complex needs, kinship families in need of support, and an overburdened workforce; all exacerbated by significant cuts in funding – JFS resources simply cannot keep up, let alone improve. For children services to provide the minimum services required by Law and by human decency, additional revenue is necessary. For children services to maintain the level of service being provided today, further additional revenue is necessary. And for enhancement of services to a “best practices” level, our voters will need to support an even higher level of funding.

Sincerely,

John I. Silverman
TLRC Childrens Service Sub-Committee Chair

Cc: Gwen McFarlin, TLRC Chair
Ed Herzig, MD., TLRC and Sub-committee member
Rev. Bobby Hilton, TLRC and sub-committee member
Mark Quarry, TLRC and Sub-committee member
Jeanette Hargraves, TLRC and Sub-committee member
Lisa Webb, Senior Policy Mgr. and Fearless Leader!
Jeff Aluotto, Hamilton County Administrator